

§ 705.2

under the sole administration of the National Credit Union Administration.

(b) This part establishes the following:

- (1) Definitions;
- (2) The application process and requirements for qualifying for a loan under the program;
- (3) How loan funds are to be made available and their repayment; and
- (4) Technical assistance to be provided to participating credit unions.

§ 705.2 Purpose of the program.

(a) The Community Development Revolving Loan Program for Credit Unions is intended to support the efforts of participating credit unions through loans and technical assistance to those credit unions in:

- (1) Providing basic financial and related services to residents in their communities; and
- (2) Stimulating economic activities in the communities they service which will result in increased income, ownership and employment opportunities for low-income residents, and other community growth efforts.

(b) The policy of NCUA is to revolve loan funds to qualifying credit unions as often as practical in order to gain maximum economic impact on as many participating credit unions as possible.

§ 705.3 Definitions.

(a) The term “low-income members” means those members defined in § 701.34 of this chapter.

(b) For purposes of this part, a *participating credit union* means a state- or federally-chartered credit union that is specifically involved in the stimulation of economic development activities and community revitalization efforts aimed at benefiting the community it serves; whose membership consists of predominantly low-income members as defined in paragraph (a) of this section or applicable state standards as reflected by a current low-income designation pursuant to § 701.34(a)(1) or § 741.204 of this chapter or, in the case of a state-chartered nonfederally insured credit union, under applicable state standards; and has submitted an application for a loan and/or technical assistance and has been selected for

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participation in the Program in accordance with this part.

[58 FR 21646, Apr. 23, 1993, as amended at 60 FR 58504, Nov. 28, 1995; 61 FR 50695, Sept. 27, 1996; 69 FR 45237, July 29, 2004; 73 FR 71913, Nov. 26, 2008]

§ 705.4 Program activities.

In order to meet the objectives of the Program, a credit union applicant should provide a variety of financial and related services designed to meet the particular needs of the low-income community served. These activities shall include basic member share account and member loan services.

§ 705.5 Application for participation.

(a) Applications to participate and qualify for a loan or technical assistance under the Program may be obtained from the National Credit Union Administration, Community Development Revolving Loan Program For Credit Unions.

(b) The application for a loan shall contain the following information:

(1) Information demonstrating a sound financial position and the credit union’s ability to manage its day-to-day business affairs, including the credit union’s latest financial statement. A nonfederally insured credit union must include the following:

(i) A copy of its most recent outside audit report;

(ii) Proof of deposit and surety bond insurance which states the maximum insurance levels permitted by the policies;

(iii) A balance sheet, an income and expense statement, and a schedule of delinquent loans, for the most recent month-end and each of the twelve months preceding that month-end.

(2) Evidence that the credit union has a need for increased funds in order to improve financial services to its members.

(3) The following information concerning a state-chartered credit union’s field of membership:

(i) Current field of membership as set forth in the credit union’s charter;

(ii) Changes, if any, to be made to the field of membership for participation in the Program, including;

(A) Evidence of approval of change by credit union board of directors;